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CMA CGM, led by chief executive Rodolphe Saade, already has 24 methanol dual-fuelled container ship newbuildings on order at shipyards in the Far East. Photo: Sikarin Fon Thanachaiyry/World Economic Forum

## CMA CGM poised to ink \$1bn container ship newbuilding deal despite profit squeeze

Liner giant is said to have selected methanol fuelling for the vessels as it pushes ahead with its decarbonisation drive

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By [Irene Ang](#)  in [Singapore](#)

France's CMA CGM is poised to ink its fourth newbuilding deal for this year, which will cost more than \$1bn.

Shipbuilding sources tell TradeWinds that the liner giant, which saw its second-quarter earnings fall considerably, is pressing ahead with its decarbonisation drive with an order for a series of methanol dual-fuel neo-panamax container ship newbuildings.



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CMA CGM which has so far splashed out \$5.5bn in ordering 28 new container ships at shipyards in South Korea and China this year, is said to have inked a provisional newbuilding contract for eight 9,200-teu vessels at Shanghai Waigaoqiao Shipbuilding (SWS).

Officials at SWS and CMA CGM were not available for comment.

Multiple shipbuilding players said CMA CGM has selected methanol dual fuelling for its latest batch of neo-panamax ships over LNG.

If the company firms up the deal, this will be the fourth methanol dual-fuel newbuilding project that it has made so far.

CMA CGM's first methanol dual-fuelled newbuilding deal was at China's Dalian Shipbuilding Industry Co (DSIC) last summer. It ordered six 15,000-teu vessels at a reported price of \$175m each.

CSSC Tianjin Shipyard, a subsidiary of DSIC, will be constructing the sextet and is slated to deliver them in 2026.

In February, CMA CGM commissioned South Korea's Hyundai Samho Heavy Industries to build 12 units of 13,000-teu costing a total of \$2.05m. This was followed by six 15,000-teu container ships at Jiangnan Shipyard at about \$175m apiece.



Shanghai Waigaoqiao Shipbuilding is a state-owned shipyard under the control of China State Shipbuilding Corp. Photo: Bob Rust

The price of CMA CGM's neo-panamax newbuildings at SWS was not disclosed but shipbuilding players believe it will pay between \$125m and \$127m each. They described the price to be on the "high side" as they are high-specification ships.

State-owned SWS, which has built up an order backlog of 45 newbuildings, is slated to deliver CMA CGM's newbuildings in 2027. The project will be the shipyard's first-ever methanol dual-fuel contract and the largest container ships that it has constructed to date.

## Methanol rising

There is a rising trend for shipping companies to opt for methanol fuelling. In July, the classification society DNV said methanol dominates as the alternative fuel of choice for newbuildings. It stated that the world methanol-fuelled fleet now numbers 204 vessels, comprising 177 on-order vessels and 27 existing ships. The bulk of the under-construction vessels are container ships.



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Martin Wold, DNV's maritime advisory business principal consultant, said orders for methanol-powered vessels have crossed the 200 mark and this coincides with the delivery of the world's first methanol-fuelled container vessel and the signing of the first bunker supply agreement for green methanol for ships.

Clarksons' Shipping Intelligence Network shows 142 newbuildings were ordered this year by companies AP Moller Maersk, CMA CGM, HMM, X-Press Feeders, MSC, Evergreen Marine and others.

CMA CGM alone has signed up for 28 newbuildings that include 10 LNG dual-fuelled 24,000-teu vessels at Yangzijiang Shipbuilding, six methanol dual-fuel ships of 15,000 teu at Jiangnan Shipyard and a dozen of 13,000-teu boxships that will be powered by methanol or conventional marine fuel at Hyundai Samho Heavy Industries. [\(Copyright\)](#)

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